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# Delhi court orders proceedings against Unitech, its top bosses

***Unitech Ltd, its Chairman Ramesh Chandra, Managing Directors Ajay Chandra and Sanjay Chandra and four other Directors have been named as accused in the complaint***

Ravi Teja Sharma | ET Bureau | 14 June 2016, 5:30 PM IST



NEW DELHI: A district court has ordered that proceedings be initiated against real estate developer Unitech and its promoters and top executives under section 420 of the Indian Penal Code in a case of cheating filed by a home buyer.

The homebuyer, Paramvir Singh Narang, had booked a flat in one of the builder's

projects -- Unitech Cascades -- in Greater Noida in 2006. The flat was to be delivered in April 2008 according to the agreement, but when the company did not deliver the apartment Narang filed a case. Initially, the case was dismissed by a magisterial court, after which Narang filed a revision petition in the Saket court in Delhi.

In his complaint, Narang named Unitech, its chairman Ramesh Chandra, managing directors Ajay Chandra and Sanjay Chandra, and four other directors as accused.

In his order, additional sessions judge Sandeep Yadav said, "Since respondents after receiving total agreement payment of Rs 39,07,582 neither offered possession of apartment nor refunded the amount with simple interest @ 10% per annum, it can be safely concluded that respondents were having guilty intention to cheat the petitioner from the very beginning of transaction. Even the legal notice issued by complainant to accused persons was not replied...Hence, section 420 IPC gets attracted to the facts of present case."

The judge said that the "learned additional chief metropolitan magistrate (south) erred in

observing that it is a civil dispute and petitioner cannot maintain criminal proceeding by alleging cheating". "The impugned order suffers from illegality and cannot be sustained. Accordingly, the revision petition is allowed and impugned order dated 13.04.2015 is set aside. Trial court is directed to proceed against respondents u/s. 420 IPC," he said, and asked the petitioner to appear before trial court on July 4.

Unitech, once India's second largest builder, has been facing consumer complaints across its projects because it has failed to deliver apartments on time. Homebuyers in several of its projects have been protesting and have also filed a series of cases against the company in the National Consumer Disputes Redressal Commission.

In the quarter to March 2016, the company's consolidated net loss widened to Rs 539.47 crore because of lower income from its operations. Its net loss was Rs 162.54 crore a year ago. Its total income for the quarter dropped to Rs 483.55 crore from Rs 813.23 crore a year ago.

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**Atul Nayay** • 4 days ago

It is wrong to proceed against the Directors of Unitech. Every investor and buyer is aware that there are pitfalls and problems relating to land ownership, approval, getting of building permissions for all residential projects.

The buyer being fully aware of this invests / books the flat because the developer offers it to him at an attractive price, now if the developer delivers the flat a around the committed time the buyer normally stands to make a huge profit if he decides to sell his flat and at this time he does not share his profits with the developer.

However when there is a delay in the project the buyer rushes to the police station and the court trying to file a FIR against the developer as though he is a hardened criminal. Actually the delay could be on account of non receipts of approval on time, sand restrictions etc.

Now if the buyer has booked at Pre Launch or Under Construction stage he is actually a partner of the developer in the project and is therefore equally responsible for the project delays

for the project delays.

Even the developers sell the flats a pre launch and at under construction stage at attractive prices because they want to cover and reduce their risks so it is not right to start proceedings against the unitech

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**ANIL KHATANA** → Atul Nayay • 3 days ago

Mr.Atul Nayay- You must be Chandra's relative or employee of UNITECH.

Shame on you on taking sides with one of the most insensitive, unreliable and unprofessional companies of india. Do you have any idea what the Chandras did with the hard earned money of Prospective buyers?

The junior Chandra drove himself a lamborghini costing upwards of 4 crores and later sold it off at loss to company. Where do you think Unitech got this money from? While the poor home owners were on the streets struggling to make their ends meet. One of the home owners even committed suicide because he could not afford to make EMI payments and pay for rent of house while maintaining his family on a mere salary. The Chandras diverted the money for land acquisitions through front companies, we already have this data and Mr.Narang and associates are going to release this to for everyone to see. This time Chandras have crossed the wrong guy.. they have messed with an advocate and that too who is righteous and fearless!! I know Mr. PARAMVIR SINGH NARANG personally, he bought the flat for himself and had to suffer so much because of UNITECH.

The chandras will rot in hell for their sins and you should not be their accomplice.

SHAME ON UNITECH!!! SHAME ON CHANDRAS!!!

ADVOCATE KHATANA

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**Lekhraj Gupta** → Atul Nayay • 4 days ago

Hello,

Are you a relative of Unitech Board member or have interest in company? A interested party only can say this.

What do you mean by "if the developer delivers the flat a around the committed time the buyer normally stands to make a huge profit if he decides to sell his flat and at this time he does not share his profits with the developer"

Why buyer requires to share the profit with developer when developer has already made the profit. Are developer selling the property on loss.

Pre launch price are attractive but no developer is selling on loss. They even get the interest on the amount during construction period.

It is the rights of the buyer to get the flats on time. Why developer gives the time line without taking the approval from all the authorities, as required? Is there any force from buyer?

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